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whatever upon their admission. To prohibit a foreign corporation from bringing suit in a federal court was a familiar condition. The court soon realized that the doctrine as expressed in the Virginia case was too broad, and hence gave effect to an earlier statement to the effect that qualifications for the admission of foreign corporations must not be "repugnant to the constitution or laws of the United States." *Lafayette Ins. Co. v. French* (1856, U. S.) 18 How. 404, 407. Consequently it was held that an agreement not to remove to the federal courts was a violation of the corporation's constitutional privilege and that the corporation could repudiate such an agreement. *Insurance Co. v. Morse* (1874, U. S.) 20 Wall. 445. When the question was raised again, however, the court wished to avoid the *Morse* case, and yet not overrule it. The result reached was that a state could not enforce a contract not to remove a suit, but could punish the corporation by expulsion if it availed itself of this constitutional privilege. *Doyle v. Continental Ins. Co.* (1877) 94 U. S. 535. To overcome this dilemma, the court later held that a law imposing such a condition was void and of no effect. *Barron v. Burnside* (1887) 121 U. S. 186, 7 Sup. Ct. 931. This should have ended the controversy, but in the case of *Security Mutual Ins. Co. v. Prewitt* (1906) 200 U. S. 446, 26 Sup. Ct. 314, aff'd (1906) 202 U. S. 246, 26 Sup. Ct. 619, the court reverted to its previous decision in the *Doyle* case and held that a state could expel a corporation for not complying with the condition. This decision was again unsatisfactory and was gradually broken down. *Harrison v. St. Louis & San Francisco Ry.* (1914) 232 U. S. 318, 34 Sup. Ct. 333; Henderson, *Position of Foreign Corporations in American Constitutional Law* (1918) chs. 6, 8. It was not until the instant case that the *Doyle* and *Prewitt* cases, subjected to much criticism, were expressly overruled with no attempt made to distinguish them. It may be hoped that the rule is finally settled.

CORPORATIONS—NEGLIGENCE—STOCK CERTIFICATE SIGNED IN BLANK BY OFFICERS AND STOLEN BY EMPLOYEE.—Stock certificates signed in blank by the president and treasurer of the defendant corporation were left in the custody of its transfer agent. A clerk who assisted the transfer agent and had access to the certificates, abstracted one, filled it out in his own name, forged the name of the registrar of the corporation, and pledged it to the plaintiff as security for a loan. The loan not having been paid and the corporation having refused to transfer the stock on its books, the plaintiff sued to recover damages for the loss sustained. Held, (two judges dissenting) that the plaintiff could not recover. *Hudson Trust Co. v. American Linseed Co.* (1922) 232 N. Y. 350, 134 N. E. 178.

The doctrine that a corporation is liable for fraudulent issues of certificates of stock made by its transfer agent is well established in this country. *N. Y., N. H. & H. Ry. v. Schuyler* (1865) 34 N. Y. 30; *Allen v. South Boston Ry.* (1889) 150 Mass. 200, 22 N. E. 917; but see *Moores v. Citizen's Nat. Bank* (1884) 111 U. S. 156, 4 Sup. Ct. 345. It has no application to the instant case, however, since the particular clerk was not clothed with general authority to issue stock. The liability of the corporation was invoked on the ground that it was negligent in making the issuance of the certificate possible. Certificates of stock are quasi-negotiable instruments, and where the owner entrusts them to an agent for a prescribed purpose and the agent pledges them as security for a loan to himself, the owner is estopped to assert his ownership. *National Safe Deposit Co. v. Hibbs* (1913) 229 U. S. 391, 33 Sup. Ct. 818; *Union Trust Co. v. Oliver* (1915) 214 N. Y. 517, 108 N. E. 809. On the other hand, where a servant simply has access to a certificate in the possession of the owner and steals it, the owner may reclaim the certificate from innocent purchasers. *Knox v. Eden Musée Americain Co.* (1896) 148 N. Y. 441, 42 N. E. 988. The instant case falls within the latter principle. Possession of the certificates was entrusted to the

transfer agent and not to the clerk who assisted him and who merely had access to the certificates. See *Schumacher v. Greene Cananea Copper Co.* (1912) 117 Minn. 124, 134 N. W. 510. The fact that the name of the registrar on the face of the certificate was forged is another reason for the result. The certificate was not genuine and the corporation could not be liable even if negligent. *Dollar Savings Fund & Trust Co. v. Pittsburgh Plate Glass Co.* (1906) 213 Pa. 307, 62 Atl. 916.

COVENANTS—COVENANTS RUNNING WITH THE LAND—PRIVILEGE TO TERMINATE A LEASE.—The defendant was the lessee of certain premises under a fifteen-year lease commencing May 1, 1913. The lessor had reserved the privilege and power of terminating the lease at any time subsequent to May 1, 1920, provided the land should be sold in good faith and \$5,000 paid to the tenant. No reference was made to heirs or assigns. The lessor was seventy-three years of age when the lease was executed. The plaintiff, an assignee of an assignee of the lessor, sued to eject the defendant under this provision of the lease. *Held*, that the plaintiff should have judgment. 507 *Madison Ave. Realty Co. v. Martin* (1922, App. Div.) 192 N. Y. Supp. 762.

A covenant is said to run with the land when it is of such a kind that the duty to perform it or the right to enforce it will pass to an assignee of an interest in the land by mere force of the conveyance and without express assignment of the covenant. *Gerling v. Lain* (1915) 269 Ill. 337, 109 N. E. 972; *Miller v. Clary* (1913) 210 N. Y. 127, 103 N. E. 1114. But a covenant can run only if the parties so intend, and if it is of such a nature that the law will permit it to run. 1 Tiffany, *Real Property* (1920 ed.) 179. If it appears from the lease that the parties intend the covenant to run, assigns need not be mentioned, at least when the covenant concerns something *in esse*. *Hadley v. Bernero* (1902) 97 Mo. App. 314, 71 S. W. 451; 15 C. J. 1244. The leading case held that covenants run with leasehold estates only when they touch and concern the land. *Spencer's Case* (1583, K. B.) 5 Co. Rep. 16a. In order to touch and concern the land a covenant must affect the mode of enjoying the thing demised, its nature, quality, or value, independent of collateral circumstances. *Congleton v. Pattison* (1808, K. B.) 10 East, 130; *Ventnor Investment & Realty Co. v. Record Development Co.* (1911) 79 N. J. Eq. 103, 80 Atl. 952. Or it must be beneficial to the owner of the estate in his capacity as owner. *Vernon v. Smith* (1821, K. B.) 5 Barn. & Ald. 1; *Dyson v. Forster* [1909, H. L.] A. C. 98. Collateral covenants are those which are beneficial to the lessor or the lessee irrespective of his relation to the premises, and do not pass to assignees. *Vyzyan v. Arthur* (1823, K. B.) 1 Barn & Cress. 410; *California Packing Corp. v. Grove* (1921, Calif.) 196 Pac. 891. Usually a covenant will not comply with one requirement unless it complies with the other also, and if it successfully does this, it is reasonably safe to assume that it touches and concerns the land. Abbot, *Covenants in a Lease which Run with the Land* (1921) 31 YALE LAW JOURNAL, 127, 135. Covenants have been further classified according to the legal relations created between the parties. Under this classification, those which beneficially affect the reversionary interest of the lessor by making more valuable or increasing his powers as reversioner touch and concern the land. *Mason v. Smith* (1881) 131 Mass. 510 (covenant to pay taxes on the demised premises); *Standard Oil Co. v. Slye* (1913) 164 Calif. 435, 129 Pac. 589 (covenant giving lessee power to renew the lease); see also Abbot, *Leases and the Rule Against Perpetuities* (1918) 27 YALE LAW JOURNAL, 878, 885; cf. *Hollander v. Central Metal & Supply Co.* (1908) 109 Md. 131, 71 Atl. 442; and *contra*, *Woodall v. Clifton* [1905, C. A.] 2 Ch. 257 (covenant to purchase the reversion); *Purvis v. Sherman* (1916) 273 Ill. 286, 112 N. E. 679 (covenant to purchase improvements); *Garelik v. Rennard* (1921, Sup. Ct.) 116 Misc.